Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of the	)	CC Docket No. 96-128
Pay Telephone Reclassifications	)	
and Compensation Provisions of the	)	
Telecommunications Act of 1996	)	

COMMENTS OF THE INTERNATIONAL TELECARD ASSOCIATION ON REMAND ISSUES IN THE PAYPHONE PROCEEDING

The International Telecard Association ("ITA"),[1] by its attorneys, respectfully submits these comments in the captioned proceeding[2] in response to the Commission's public notice[3] on the remand by the U.S. Court of Appeals for the D.C. Circuit in *Illinois Public Telecommunications Ass'n v. FCC*.[4]

INTRODUCTION AND SUMMARY

ITA, the principal trade association for the prepaid phone card, or "telecard," industry, commends the Commission for properly limiting the scope of this remand proceeding and not proposing to change existing rules, such as its carrier-pays rule and completed call definitions, which form the structural underpinnings of payphone compensation. Any attempt to modify these settled policies, which were not affected by the D.C. Circuit's decision, would send the Commission and industry literally "back to

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[1] Members of the Association that are Regional Bell Operating Companies ("RBOCs") have not participated in the development of these comments.

[2] *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, 11 FCC Rcd 20541 (1996) ("Payphone Order"); Order on Reconsideration, 11 FCC Rcd 21233 (1996) ("Order on Reconsideration") (both orders together "Payphone Orders").

[3] FCC Public Notice, *Pleading Cycle Established for Comment on Remand Issues In the Payphone Proceeding*, CC Docket No. 96-128, DA 97-1673, Aug. 5, 1997 ("Public Notice").

[4] Illinois Public Telecommunications Assoc. v. FCC, No. 96-1394, slip op. (D.C. Cir. July 1, 1997) ("Opinion").

the beginning" to reformulate an entirely new set of payphone compensation rules. Such a result would be counter productive, unnecessary and harmful to all parties.

ITA encourages the Commission to establish a "default" payphone compensation charge based on economic costs, including a reasonable profit for payphone service providers ("PSPs"). The Commission must resist the pleas of PSPs to establish exorbitant compensation amounts based on inappropriate, so-called "market-based" surrogates using 0+ commission rates. Instead, it should rely on actual payphone cost data to set the default compensation charge on an incremental cost basis. Existing data suggests that such a charge would not exceed approximately $0.15 per call. Additionally, the Commission should reduce the estimate of 131 access code and 800 subscriber payphone calls that served as the basis for determining the per payphone compensation level, as this amount improperly includes uncompleted calls and results in flat rate payphone charges that are as much as $17.50 per payphone too high. Finally, all facilities-based LECs and IXCs should be subject to payphone compensation in proportion to their toll and access charge revenues.[5]

ITA believes that interim compensation should only apply prospectively beginning on the date of the Court's opinion. However, if the Commission follows the tentative conclusions of the Public Notice and decides to impose compensation obligations on carriers back to the start date of the original interim period, it must apply the new charges retroactively to the start of the interim compensation period, mandating refunds and/or adjustments to account for the new, lowered per-call charge.

"Fair" PSP compensation under Section 276 must reflect the impact of such charges on competition in markets dependent on payphone access. Prepaid phone cards offer tremendous competitive and social benefits—including flat-rate, "unit-

[5] As discussed in Section III below, these revenues should be prorated, to establish the nexus between these amounts and payphone-originated calls, by multiplying the revenues times the number of access code and 800 subscriber calls placed from a payphone divided by the total number of toll calls.

based" pricing and telephone alternatives for low-income and minority users—that would be directly threatened by indiscriminate application of an excessive compensation amount. As a unique, rapidly growing and highly price-competitive segment of the interstate telecommunications marketplace, telecards offer substantial consumer and social benefits that must be reflected in the Commission's payphone compensation rules.

The Commission should take this opportunity to clarify that carriers have flexibility in recovering their payphone charge costs, including imposing per-minute charges on all 800 traffic and, if they so choose, not passing per-call charges onto resellers. Nonetheless, the Commission must also recognize that carriers do not have unlimited flexibility, cannot use payphone compensation as a profit-generating mechanism, and that cost recovery approaches must be just, reasonable and nondiscriminatory as required by Sections 201 and 202 of the Communications Act.

DISCUSSION

I. THE COMMISSION HAS PROPERLY LIMITED THE SCOPE OF THIS REMAND PROCEEDING

The Commission should not modify those payphone compensation rules that were not remanded to the Commission for reconsideration by the Court in *Illinois Public Telecommunications*. Although Section 276 of the Telecommunications Act required the Commission to establish a fundamentally different approach to payphone compensation, and the Commission necessarily adopted a plethora of new rules in its 1996 Payphone Orders, the Court has remanded only six rules for the Commission's reconsideration.[6] The core of the Commission's Payphone Orders remains intact and

[6] These include the Commission's rules to (1) tie the permanent default rate of payphone compensation for access code and subscriber 800 calls to the market rate for local coin calls; (2) set the interim payphone compensation rate to $0.35; (3) require only large IXCs to pay interim compensation to payphone service providers ("PSPs"); (4) not require that PSPs receive interim compensation for 0+ calls; (5) not require that PSPs receive interim compensation for inmate payphones; and (6) reclassify payphone
(Continued on next page)

should not be modified. Any attempt to modify existing rules that were not remanded will unnecessarily complicate and delay the resolution of this remand proceeding.

In particular, the Commission should not disrupt its carrier-pays and completed call rules. These settled policies form the structural underpinnings of the payphone compensation rules, and any attempt to modify them would send the Commission and industry "back to the beginning" to reformulate an entirely new set of rules. Such a result would be counter productive, unnecessary and harmful to all parties.

The carrier-pays rule is fundamental because it establishes who, in general, must pay compensation to payphone service providers ("PSPs"). Under the carrier-pays approach, a carrier receiving a call from a payphone is responsible for compensating the PSP. The Commission concluded that the carrier-pays approach properly places the payment obligation on the primary economic beneficiary of "dial around" or subscriber 800 calls in the least burdensome, most cost-effective manner.[7] The Court upheld this approach, reasoning that the Commission had properly explained how its approach would promote competition and that the Commission's balancing of administrative efficiency and consumer convenience was not arbitrary.[8] The Commission specifically declined to adopt a set-use fee, which would be collected by the carrier from users and remitted to the PSP to compensate it for the use of its payphone.[9] ITA supported the carrier pays approach in its opening and reply comments in this docket and remains strongly committed to this policy. The Commission should not revisit its carrier-pays rules and should not entertain attempts to resurrect a set-use fee.

The completed call definition is fundamental because it establishes, in general, what calls are compensable. The Commission concluded that a completed call was one

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assets transferred from the regulated to the deregulated operations of a Bell Operating Company at net book value and those transferred from a BOC to a separate affiliate at fair market value.

[7] Payphone Order at ¶ 83.

[8] *Illinois Public Telecommunications* at 21.

[9] Payphone Order at ¶ 84.

that was answered by the called party, and noted that where an 800 prepaid card call is routed through an IXC's platform, it should be not viewed as two distinct calls.[10] ITA explained in its opening and reply comments that such a definition is the only one consistent with Section 276, which specifies that payphone providers are to receive compensation for "completed" calls. Because the Commission's completed call definition is consistent with Section 276 and was not appealed, it may not now be reexamined on remand.

II. THE DEFAULT PAYPHONE COMPENSATION CHARGE MUST BE SET TO ECONOMIC COST

In its Payphone Orders, the Commission determined that the payphone compensation charge should be set to the local coin rate. It then estimated that the interim default rate should be equal to $0.35 because this was the local coin rate in four of five states where rates had been deregulated. The Court held that using the local coin rate to set the compensation rate for non-coin calls was arbitrary and capricious,[11] reasoning that the Commission provided an insufficient rationale for its decision and lacked record evidence demonstrating that the costs for non-coin and coin calls are similar.[12] The Commission now seeks comments on the differences in costs to the PSP of originating subscriber 800 calls and access code calls, on the one hand, and local coin calls, on the other hand,[13] and on how these cost differences should affect a market-based compensation amount.[14]

The Commission should establish a payphone compensation default amount based on incremental costs that includes a reasonable profit. It must resist the pleas of PSPs to establish exorbitant compensation amounts based on 0+ commission rate

[10] Id. at ¶ 63.
[11] *Illinois Public Telecommunications at* 15, 17.
[12] Id. at 15.
[13] Public Notice at 2.
[14] Id. at 3.

surrogates. While continuing to advocate "market based" surrogates, no payphone provider has put any credible payphone cost data into this record. The Massachusetts Department of Public Utility ("MDPU"), however, has concluded, based on embedded cost studies using historical accounting costs conducted by NYNEX, that the cost of a local coin call from a payphone including embedded costs is approximately $0.17 per call.[15] In the absence of other credible data, when the costs associated with a coin call are removed, this must serve as the absolute upper bound for the cost of a non-coin payphone call, which by definition is less (if not considerably less) than a coin call.

The "0+" Commission rate based-surrogates supported by the RBOC Coalition and APCC do not represent a reasonable approach and should be rejected. The Commission has properly concluded that it should not rely on these surrogates because they "would tend to overcompensate PSPs, because these commissions may include compensation for factors other than the use of the payphone, such as a PSP's promotion of the Operator Service Provider ("OSP") through placards on the payphone."[16] Setting payphone compensation at "0+" margins inappropriately take a revenue replacement approach, under which PSPs would be rewarded for dial around calls with the same *de facto* monopoly profits they can only obtain by funneling all operator-assisted traffic to a single provider. The growth of access code calls and prepaid phone cards, using unblocked 800 and 10XXX access as required by the 1990 amendments to the Act,[17] was a direct result of consumer resistance to the often excessive OSP charges that serve as the basis for the RBOC Coalition and APCC surrogates. Basing payphone compensation on "0+" surrogates would contradict the purpose of unblocking

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[15] Massachusetts Department of Public Utilities, D.P.U. 97-18, Order, Apr. 14, 1997 at 2. The actual cost contained in New England Telephone and Telegraph workpapers in that proceeding was $0.167 per call.

[16] Payphone Order at ¶ 69.

[17] Telephone Operator Consumer Services Improvements Act of 1990 ("TOCSIA"); 47 U.S.C. § 226.

payphone access and hold all competitive services hostage to the locational monopolies enjoyed by PSPs.

In its initial Payphone Orders, the Commission concluded that it did not have enough credible cost data to use a cost-based approach to set the compensation level, and instead opted to use deregulated local coin rates as a proxy for payphone costs.[18] The Court has firmly rejected this approach as arbitrary and capricious.

While ITA does not have comprehensive access to cost data for payphone providers, existing cost studies indicate that the appropriate level of compensation lies between 8.3 and 15 cents per call. The record includes information regarding an MCI study in Docket 91-35 which estimated that private payphone provider marginal costs are approximately 8.3 cents/call.[19] Additionally, the Massachusetts Department of Public Utilities ("MDPU") has determined, based on NYNEX cost studies that include embedded costs, that the cost of a local coin call is approximately $0.17.[20] The Commission has estimated that the cost of coin collection is approximately $0.02 per call.[21] Thus, the absolute upper bound on payphone compensation should be approximately $0.15 per call. Ideally, RBOCs and APCC would provide credible incremental cost data that parties could analyze and critique which would be used to set the compensation level. However, in the absence of these studies, ITA suggests that the Commission use $0.15 as the upper limit for the per call compensation amount and that the actual rate should be near the $0.083 rate estimated by MCI, as these amounts represent the only two verifiable cost estimates currently available.

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[18] Payphone Order at ¶ 70.

[19] *See* MCI Comments of July 1, 1996 at 13.

[20] Massachusetts Department of Public Utilities, D.P.U. 97-18, Order, Apr. 14, 1997 at 2. The actual cost contained in New England Telephone and Telegraph workpapers in that proceeding was $0.167 per call.

[21] *Policies and Rules Concerning Operator Services Access and Pay Telephone Compensation*, Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 91-35, 6 FCC Rcd 4736, 4747 (1991) at ¶ 44.

Finally, the Commission must remain cognizant of the unique nature of prepaid phone cards when reexamining its rules. Prepaid phone cards offer tremendous competitive and social benefits—including flat-rate, "unit-based" pricing and telephone alternatives for low-income and minority users—that would be directly threatened by indiscriminate application of an excessive compensation amount.[22] Additionally, prepaid phone cards provide a convenient and cost effective means for the traveling public to use public payphones and avoid the possibility of unknowingly paying excessive OSP fees. As a unique, rapidly growing and highly price-competitive segment of the interstate telecommunications marketplace, telecards offer substantial consumer and social benefits that must be reflected in the Commission's payphone compensation rules.

As shown previously by both ITA and the Telecommunications Resellers Association ("TRA"), the imposition of a $0.35 charge would increase the costs of a typical prepaid phone card call by over fifty percent per call.[23] Such an increase would be unaffordable to many consumers, including those (such as low-income, disadvantaged and minority customers) who rely on phone cards as their only means to place calls, and would have devastating effects on the emerging phone card industry. "Fair" PSP compensation under Section 276 must reflect not only legitimate costs of payphone-originated calls, but also the impact of such charges on competition in markets dependent on payphone access. ITA, therefore, urges the Commission to set a reasonable compensation amount based on economic cost that considers the impact on phone card users and providers.

III. ALL FACILITIES BASED CARRIERS SHOULD BE SUBJECT TO INTERIM PAYPHONE COMPENSATION

[22] ITA Comments of July 1, 1996 at 4-8.
[23] *See* ITA Reply Comments of July 15, 1996 at 12-13; TRA Comments of July 1, 1996 at 22.

The Commission determined that interexchange carriers with toll revenues in excess of $100 million should pay interim compensation in proportion to their percentage of total toll revenues. The Court concluded that the Commission acted arbitrarily and capriciously in developing this approach, based soley on administrative ease, and that the Commission had not shown any nexus between toll revenues and payphones. The Commission seeks comment on the proper allocation of a flat-rate compensation obligation.[24]

All facilities based carriers, including both IXCs and LECs, should be subject to interim payphone compensation.[25] The allocation should be based on a carrier's percentage of intraLATA and interLATA toll revenues, plus switched access charge revenues, times an estimate of the annual number of access code and 800 calls placed from payphones divided by the total number of toll calls for the industry. The rationale for including these revenue sources is because they are the ones most directly affected when a caller places an 800 or access code call from a payphone. By factoring these revenues by the proportion of payphone calls out of all toll calls establishes a nexus with payphone originated calls, reducing average total revenues to estimated revenues associated with "dial around" payphone calls.

To minimize administrative costs, the Commission should first examine gross telecommunications revenues of all IXCs and LECs to eliminate carriers from payment obligations where administrative costs are likely to outweigh their payphone obligation. Based on readily available gross telecommunications revenues information, it should exclude any carrier whose estimated annual contribution would be less that $500. Such an approach is similar to methods to recover number administration or Telecommunications Relay Service ("TRS") funds, in which a certain minimum

[24] Public Notice at 3.

[25] This would only include carriers that maintain their own switching capability as clarified by the Commission. *See* Order on Reconsideration at ¶ 92.

payment is required to reduce administrative burdens. To determine these exclusions, the Commission should estimate the annual contribution of a particular carrier based on the percent of industry gross revenues that its gross revenues represent. Once these carriers are eliminated, the pool of carriers will be greatly reduced and the Commission can ascertain the appropriate revenue numbers to assess each carrier's contribution by requiring the appropriate information from a much more limited set of carriers.

IV. THE COMMISSION MUST ENSURE THAT PSPs DO NOT DOUBLE RECOVER DURING THE INTERIM PERIOD

In the Public Notice, the Commission seeks comment on the proper aggregate amount of compensation PSPs should receive, per payphone, during the period before per-call compensation becomes available.[26] ITA welcomes this opportunity to address the Commission's methodology to determine the aggregate amount of compensation.

First, ITA believes that by using a cost-based approach to set the compensation level, it will be less likely that PSPs could double recover for payphone costs. This is particularly important in light of the Court's requirement that per-call compensation also include 0+ calls where a contract does not exist for a payphone provider to receive compensation. It is critical that the Commission ensure that PSPs are not including 0+ costs in the costs for access code or 800 subscriber calls. The inclusion of 0+ calls provides yet another opportunity for PSPs to recover costs, and therefore this should result in the compensation amount obligations for dial around calls being reduced. Because PSPs were fairly compensated for <u>all</u> calls under the previous compensation structure—which did not include 0+ compensation—by introducing new charges and associated 0+ revenues for PSPs the Commission must reduce the compensation levels for other call types, or else PSPs will receive a level of compensation clearly greater than the "fair" compensation amount required under Section 276.

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[26] *Id.*

Second, as stated earlier, ITA believes that the compensation amount should be reduced from $0.35 to an amount, not greater than $0.15 per call, equal to the incremental cost of providing dial around payphone calls plus a reasonable profit.

Third, the number of completed access code and 800 subscriber calls used as the basis for a flat, per-carrier payment is overstated in the Commission's Payphone Orders. The Commission relied upon data provided by APCC, the RBOC Coalition and a few other payphone providers to estimate the number of payphone calls. These estimates, however, do not adequately factor in that approximately 50% of all debit card calls are not completed.[27] Thus, the Commission's estimate of 131 access code and toll free subscriber calls may include a significant number of non-compensable uncompleted calls. The Commission should use this opportunity to clarify that it is not requiring carriers to pay compensation to payphone providers for uncompleted calls, which would be inconsistent with Section 276. It should reevaluate the amount of completed "dial around" calls made from payphones and reduce the 131 amount accordingly. Thus, the Commission should reassess the obligations of carriers by recalculating the per payphone compensation amount using the principals and reductions specified

[27] For example, in the most extensive study relied on by the Commission, APCC determined that there were 140 "compensable" calls originated from a payphone in a month. APCC Comments of July 1, 1996 at 5-6. APCC indicated that its equipment used in its study counts a call if it detects an indication of an "answer" on the line. It notes that "[f]or coin calls and subscriber 800 calls, we believe this approach generally can be expected to yield a reasonably accurate count of completed calls. For access code and 0+ calls, this approach would over count complete calls, since calls that are answered by a carrier's call processing platform are not necessarily completed. Therefore, an access code call or 0+ call was counted as complete only if the elapsed time exceeded 60 seconds." *Id.* at 6, fn 3. APCC recognized that access code and 0+ calls that reach a carrier's platform are not completed, but did not make a similar adjustment for 800 calls placed to a prepaid phone card platform. In fact, APCC explicitly indicated that it believed prepaid phone card calls reaching a prepaid phone card platform were complete. *Id.* at 25. Thus, APCC's estimate of calls includes a potentially large number of calls that were uncompleted prepaid phone card calls, and under the Commission's completed call definition, not compensable. The upper bound on the number of uncompleted calls in the APCC's data would be 50 calls, which is equal to the number (100) of 800 subscriber calls, which under APCC's approach included prepaid phone card calls measured by APCC times the typical completion ratio of 50% for prepaid phone card calls. The maximum impact of this on the flat rate compensation amount would be that carriers are paying PSPs excess compensation amounting to $17.50 per month, which is equal to 50 calls times $0.35.

above and recalculating the particular carrier obligations when all facilities based LECs and IXCs are included in the pool of carriers responsible for compensation.

Finally, the Commission seeks comment on whether it should make retroactive adjustments to the interim compensation obligations of carriers.[28] ITA believes that because the Court determined that the Commission's rates were arbitrary and capricious, the $0.35 and flat-rate charges are unlawful, and thus that any new interim compensation may only apply, at the earliest, from the date of the Court's opinion. Alternatively, if the Commission determines to impose compensation obligations on carriers back to the start date of the original interim period, ITA believes that the Commission must retroactively reduce the obligations of carriers to appropriately reduce the payphone charges to the large IXCs that were subject to compensation and to require the LECs and other IXCs not previously required to pay compensation to meet their payphone obligations during the interim period.[29]

V. THE COMMISSION MUST ENSURE THAT CARRIERS DO NOT USE THE COMMISSION'S PAYPHONE COMPENSATION RULES AS A PROFIT OPPORTUNITY

Congress developed Section 276 to ensure that payphone providers receive fair compensation for completed calls placed from a payphone. It did not intend to provide a means for carriers to reap new profit opportunities by imposing inflated charges on the ground that payphone charges are "necessary" as a result of the Commission's payphone decisions. ITA supports the Commission's conclusions that carriers should have flexibility to recover actual charges associated with payphone compensation, but urges the Commission to clarify that carriers do not have unlimited flexibility to impose

[28] Public Notice at 5.

unjust, unreasonable and discriminatory charges that do not conform to Sections 201(a) and 202(b) of the Communications Act. [30]

The Commission adopted the carrier pays rule, in part, because it believed that such an approach provided the most flexibility to parties to recover their costs. Specifically, it concluded that this approach would give "IXC's the most flexibility to recover their own costs, whether through increased rates to all or particular customers, through direct charges to access code call or subscriber 800 customers, or through contractual agreements with individual customers."[31] Furthermore, it stated that facilities-based carriers may "recover the expense of payphone per-call compensation from their reseller customers as they deem appropriate, including negotiating future contract provisions that would require the reseller to reimburse the facilities-based carrier for the actual payphone compensation amounts associated with that particular reseller."[32] Finally, the Commission stated that "the compensation approach adopted in the Report and Order gives carriers the ability, if they desire, to bill their customers for whatever amount they choose for use of the payphone."[33]

The Commission should continue to give carriers the flexibility to recover their actual costs, but should also clearly state that these cost recovery mechanisms must comply with Title II of the Communications Act. Some IXCs have interpreted the Commission's Payphone Orders to give them unlimited flexibility to impose charges upon their reseller customers. For example, at least one carrier has assessed inflated charges upon captive prepaid phone card service providers that exceeded its payphone compensation costs by over $20 million during the course of the interim compensation

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[30] Section 201(b) requires that "[a]ll charges, practices, classifications and regulations and in connection with such communication service, shall be just and reasonable." 47 U.S.C. § 201(b). Section 202(a) states that it "shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges . . . for like communication services." 47 U.S.C. § 202(a).

[31] Payphone Order at ¶ 83.

[32] *Id.* at ¶ 86.

[33] Reconsideration Order at ¶ 90.

period, while protesting that these inflated charges were mandated by the Commission's actions.[34]

The Commission should put an end to such tactics by clarifying that carriers' recovery of payphone compensation costs—like all prices for nondominant carriers under the Commission's forebearance regime—are required to satisfy the just, reasonable and non-discriminatory standards of Sections 201 and 202. In doing so, the Commission should reiterate that while carriers do have flexibility to recover their costs including the ability to recover their costs through per-minute charges on all 800 traffic and if they choose, not to pass on per call payphone charges to resale customers, this flexibility may not be exercised in a way that use payphone compensation as a new profit opportunity. This provides carriers flexibility to more evenly distribute their costs among all telephone users, consistent with the notion that all telephone users are benefited by the existence of payphones, without imposing unnecessary hardship on resellers that may not be able to absorb the full and direct burden of per call charges.

[34] For example, prior to April 1997 when only non-LEC payphones were eligible for compensation, one carrier imposed a per call charge of $0.15 to phone card providers on **all** calls, regardless of whether they were complete or not, from **all** payphones, regardless of whether they were non-LEC or LEC payphones. Because the carrier is collecting this charge on all calls from all payphones and not just on calls that are compensable, a prorated charge for each call should be determined. Using the Commission's estimate of 350,000 non-LEC payphones and 1.5 million LEC payphones and the fact that approximately 50% of phone card calls are completed, the prorated actual charge would be equal to approximately $0.03 per call. Thus, this carrier's prorated charge of $0.15 results in an overcharge of approximately $0.12 per call, which is 354% higher than the carrier's actual per-call compensation costs. Clearly, the Commission did not intend to sanction such an egregious attempt to secure illegitimate profits, while contending that the charges were necessary in response to Commission actions.

CONCLUSION

For all these reasons, the Commission should modify its payphone compensation system as suggested above to benefit the general public, not just payphone providers, and comport with the Court's direction and expeditiously resolve this matter. Specifically, the Commission should ensure that payphone compensation is based on economic costs, that all parties benefiting directly from payphone usage equitably contribute to payphone compensation, and that carriers which choose to pass per-call compensation maintain just, reasonable and non-discriminatory cost-recovery mechanisms.

Respectfully submitted,

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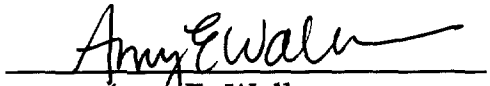
Dated: August 26, 1997.

CERTIFICATE OF SERVICE
FCC DOCKET NO. 96-128

I, Amy E. Wallace, do hereby certify on this 26th day of August, 1997, that I have served a copy of the foregoing Comments of International Telecard Association via United States first class mail, postage prepaid, to the parties below.



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